

Requisite Congressional Requesters

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DoD Service
Academies:
Problems Limit
Feasibility of
Graduates Directly
Entering the

United States General Accounting Office Washington, D.C. 20548

National Security and International Affairs Division

B-276401

March 24, 1997

The Honorable Strom Thurmond Chairman The Honorable Carl Levin Ranking Minority Member Committee on Armed Services United States Senate

The Honorable Floyd Spence Chairman The Honorable Ronald Dellums Ranking Minority Member Committee on National Security House of Representatives

Section 557 of the National Defense Authorization Act for Fiscal Year 1997 (P. L. 104-201) directed us to report to the congressional defense committees on the policy and cost implications of up to 5 percent of each academy's graduating class serving in the reserve with a corresponding increase in the number of Reserve Officers Training Corps (ROTC) graduates serving on active duty. Based on discussions with your offices, we (1) determined the number of academy graduates serving in an active status in the reserve component; (2) obtained information regarding the feasibility and implications of a proposal to have academy graduates serve in a drilling status in the reserve component, without having served on active duty, as a means of enhancing the capability of the guard/reserves; and (3) identified other means through which the reserve components are recruiting junior officers.

Background

The Department of Defense (DOD) has several commissioning programs that it uses to bring new officers onto active duty, including the service academies, ROTC, and the services' Officer Candidate Schools/Officer Training Schools (OCS/OTS). These programs vary in length, intensity, and content; the required period of active duty service incurred; and their cost to DOD. Each of the academies produces about 1,000 graduates a year. Consequently, if 5 percent of the graduates were to enter the guard/reserve, it would involve about 50 graduates a year from each of the 3 DOD academies. In 1996, the numbers of ROTC and OCS/OTS officers produced, respectively, in each of the services were: 2,887 and 350 in the

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Army, 857 and 1,383 in the Navy, 227 and 365 in the Marine Corps, and 1,637 and 646 in the Air Force.

The reserve components have become increasingly central to the U.S. national defense strategy and have played an integral part in most recent military operations, including the Gulf War and Bosnia. The reserve component consists of various categories involving different degrees of participation. The policy proposal we examined specified that placement of academy graduates would be in an active reserve status, which includes only those in the selected reserve. The selected reserve includes those individuals in a part-time, paid drill status in either a reserve or National Guard unit, personnel in the Active Guard/Reserve (AGR) on active duty providing full-time support, and trained personnel called Individual Mobilization Augmentees (IMA) designated to fill specific positions during mobilization. Since AGR personnel are on active duty and IMA personnel are typically fully trained, we focused our examination of the policy proposal only on the drilling guard/reserve. (See app. II for further background on the reserve components.)

Results in Brief

As of October 1, 1996, 5,014 service academy graduates were serving in the active reserve components. Additionally, 424 academy graduates were on active duty with a reserve component performing full-time AGR support functions under the authority of 10 U.S.C. 12301(d) and 32 U.S.C. 502(f). About 4.6 percent of the officers in the drilling guard/reserves were academy graduates compared to 17.4 percent of the active forces.

Department of Defense, service, and academy officials, with the exception of those representing the National Guard, believe that sending academy graduates to the drilling guard/reserves upon graduation would be counterproductive. They pointed to the need for new officers, regardless of their commissioning source, to receive skill training and experience before they can be productive guard/reserve members. Since the academies are the most expensive source of new officers, concerns were expressed that sending academy graduates to the reserves before they complete their active duty obligation would not produce a sufficient payback for the cost of their education. Department of Defense officials additionally cited a number of administrative and practical problems that would require policy changes at the academies and the selected reserves.

National Guard officials, however, noted that they have vacancies for officers in the junior officer grades and believe that the assignment of academy graduates directly to the National Guard would be feasible. Based on their experiences with programs for new Reserve Officers Training Corps graduate accessions, National Guard officials believe that the policy and administrative difficulties in accessing academy graduates could be managed.

The reserve components presently receive academy graduates through normal attrition as academy-produced officers join the drilling guard/reserves after completing their obligated active duty service. In addition, efforts to downsize the active duty force have had a side benefit of enhancing the capability of the reserve component by getting more trained and experienced officers into active reserve status. Recently, these early release programs have been opened to graduates from the academies and the Reserve Officers Training Corps. Since 1994, the Army National Guard Combat Readiness Reform Act of 1992¹ has allowed the Army to bring in 482 academy graduates and 108 graduates from the Reserve Officers Training Corps with 2 to 3 years of experience to serve the remainder of their military service obligations in the selected reserves.

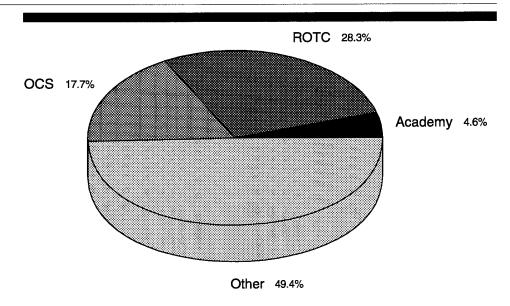
Academy Graduates in the Drilling Guard/Reserve

As of October 1, 1996, the drilling guard/reserve officer corps of 109,594 included 5,014 academy graduates, or about 4.6 percent (see fig. 1). This percentage compares to academy graduates comprising about 17.4 percent of the active duty officer corps (see fig. 2). The Navy reserve has the largest proportion of academy graduates at 10.3 percent, followed by the Air Force at 6.0 percent, the Marine Corps at 3.5 percent, and the Army at 2.6 percent.

About 424 academy graduates were on full-time active duty in a reserve component under 10 U.S.C. 12301(d) and 32 U.S.C. 502(f) for the purpose of organizing, administering, recruiting, instructing, and training the reservists. See appendix III for additional details on the number of academy graduates serving in the selected reserve.

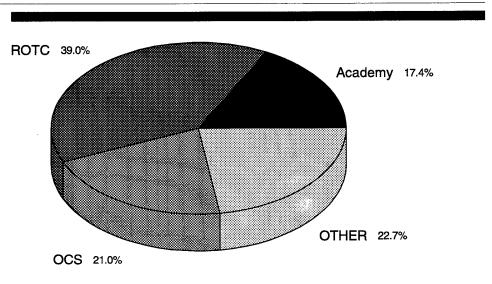
¹Title XI of P.L. 102-484, October 23, 1992, 106 Stat. 2315, 2536.

Figure 1: Drilling Guard/Reserve Officers by Source of Commission



Note: The "OCS" category in this figure refers to the active duty OCS/OTS program. The "Other" category includes: graduates of the Army National Guard OCS schools run by each state and territory, the 6-week Air National Guard Academy of Military Science, direct commissions, officers trained in one service and accessed in another, and officers whose source of commission was missing.

Figure 2: Active Duty Officers by Source of Commission



Note: The "Other" category includes officers accessed by direct commissions (commissions offered to professionals in medicine, law, and the ministry), officers trained in one service and accessed in another, and officers whose source of commission was missing.

Feasibility of Academy Graduates Serving in the Guard/Reserve Upon Graduation

Concerns Raised Regarding Lack of Experience and Training for Immediate Reserve Duty

DOD, the active services, and the reserve components, with the exception of the Army National Guard and the Air National Guard, stated that sending service academy graduates directly to the drilling guard/reserve without officer skill training or active duty experience would not enhance the capability of the reserve component. Newly commissioned officers, regardless of whether they come from the academies, ROTC, or OCS/OTS, are not fully prepared for direct entry into military jobs. The military education at the service academies and the other commissioning programs focus on preparing graduates to go into the active component. But these commissioning programs do not provide specific military occupational skills. The transition into the active service is considered a necessary part of completing an officer's education. Also, DOD officials told us that those officers who enter the guard/reserves without active duty experience would likely be at a competitive disadvantage, which could negatively affect their long-term career potential as a member of the reserve component.

An additional concern to the reserve components is funding for mandatory follow-on training for newly commissioned officers transferred directly to units after commissioning. The requirement to train these officers would shift to the respective component, imposing significant increases in training funds because the basic branch qualification courses involve active duty, with sometimes lengthy training.

Direct Entry Into Guard/Reserve May Not Be Considered Adequate Payback for the Cost of Academy Education

DOD, the service academies, and the reserves believe that serving in the drilling guard/reserve may not be considered by the Congress or the taxpayers to be sufficient recoupment for the cost of an academy education. The service academies spent about \$762 million in fiscal year 1995 to produce 2,900 officers. The cost of producing an officer in the class of 1995 was \$277,000 at the Military Academy, \$218,000 at the Naval Academy, \$283,000 at the Air Force Academy, and \$82,000² for the

²The ROTC cost per graduate includes only those costs paid for by the military.

scholarship ROTC program. The services' OCS/OTS programs and the National Guard OCS programs are considerably less expensive.

The Congress has expressed concern about ensuring an adequate payback for the cost of officer training. The minimum active duty service commitment for academy graduates is 5 years, and ROTC graduates are obligated to serve 4 years. The active duty service commitment for academy graduates was raised to 6 years, starting with the class entering the academies in 1992, in an effort to ensure a greater return for the cost of an academy education. But before the change took effect, the 6-year obligation was rolled back to 5 years in 1995 because of concerns that it would harm academy recruiting.

DOD officials have raised the question of whether attendance at training for 2 days per month and an annual training requirement of about 14 days would provide an adequate payback for DOD's investment of \$218,000 to \$283,000 in an academy graduate's education. If an academy graduate's 5-year service obligation was required to be served through drilling guard/reserve participation, it would amount to about 190 total days of service. That amount would provide an implicit payback rate for their education of between \$1,147 and \$1,489 per day of drilling guard/reserve service.

Administrative and Practical Difficulties in Accessing Academy Graduates Directly Into Active Reserve Service Officials cited a number of administrative and practical difficulties that would have to be overcome to make direct accession of academy graduates into the reserves feasible. They cited problems regarding the absence of an employment placement process at the academies; placement of graduates into drilling guard/reserve units; enforcement of guard/reserve service obligations; development of a fair and efficient selection process for determining which academy graduates would go to the guard/reserve, additional funding to provide skill training; the need to increase Navy ROTC enrollments to take the place of the academy graduates on active duty; and limited capacity in the Naval Reserve to absorb additional officers.

The academies send their commissioned graduates to active duty and therefore have had no need for a civilian job placement operation. However, since service in the drilling guard/reserve would entail only part-time service (1 weekend a month plus an annual 2-week training period), academy graduates headed for immediate placement in the guard/reserve would need to be offered assistance finding jobs. Job

placement assistance for ROTC students who are not offered active duty assignments is handled the same way it is for other students by the college or university they attend. Regardless of the source of commission, there is no guarantee that graduates would take jobs that are geographically close enough to guard/reserve units with vacancies.

Potential reservists cannot be directed to specific units with vacancies if they live beyond a certain distance from the unit/reserve training site. The current policy is that guard/reserve members must live within 50 miles, or a 90-minute commute, of their training sites. If multiple training periods are performed together and mess facilities are available at the site, the distance is extended to 100 miles. However, we were told that the Army National Guard makes exceptions to this policy in less populated states for highly qualified officers and enlisted candidates who are willing to travel greater distances.

DOD and service officials told us it would be difficult to enforce participation in the drilling guard/reserve by academy graduates or others who decided to leave active guard/reserve service with some remaining service obligation. The guard/reserves depend upon voluntary service. Under current policy, guard/reserve officers with a valid reason, such as family hardship, can move from the drilling guard/reserve to an inactive status at any time. Also, the enforcement alternative of calling to active duty those members who fail to abide by their guard/reserve commitment would be counter to the proposal's objectives.

Sending academy graduates to the guard/reserve directly after graduation would create a dilemma regarding fair and efficient selection criteria. Presently, students select their service assignments based on class standing, with top performing cadets/midshipmen having preference to available assignments over lower performers. A determination would need to be made regarding whether immediate guard/reserve selection would be voluntary or involuntary. If voluntary, there would be at least two issues to consider: whether there should be any restrictions on eligibility and what would happen if less than 5 percent volunteered. If assignment to the guard/reserve was involuntary, academy officials expressed concerns about a negative impact on cadet/midshipman motivation and breaking faith with the promise of an active duty assignment following graduation.

During the past 5 years, Air Force Reserve officer accessions have been primarily those with prior active service. Consequently, they have not planned or budgeted for training for officers without active duty

experience. The costs of initial skill training for academy graduates would have to be programmed and budgeted by the Air Force Reserves.

Sending 5 percent of academy graduates to the reserve components would require rescheduling a similar number of ROTC graduates to active service. Initially, this would be a problem for the Navy. Navy ROTC programs have not been producing any graduates for the reserve. Consequently, the Navy would not currently have a sufficient number of excess ROTC graduates to replace about 50 academy graduates a year diverted from active duty to reserve service. Since most Naval ROTC students are on scholarship, with long lead times between scholarship award and graduation, the implementation of such a policy would require additional funding and substantial lead time.

Finally, Navy officials stated that there are too few billets in the Naval Reserve to accommodate the number of officers already seeking Naval Reserve participation. Taking some of those billets for newly commissioned ensigns coming directly from the Naval Academy would compound the problem.

National Guard Has Vacancies at Junior Officer Grades

Army National Guard officials stated that they have about 2,261 vacancies at the first and second lieutenant grade levels and believe the vacancies could be partially filled by academy graduates entering directly after commissioning. The Air National Guard has about 200 entry-level officer vacancies a year, particularly in technical occupations, that could be filled by newly commissioned officers directly after graduation.

Both the Army and the Air National Guard have recently been recruiting ROTC graduates who were commissioned but were not offered active duty service. The Army Guard brought 283 ROTC graduates directly into drilling guard service in 1994 and 852 in 1996. The Air Guard brought in 15 ROTC graduates in 1995 and 40 applied in 1996. ROTC graduates entering the guard directly after commissioning are given the appropriate officer skill training.

³The Army's database would not allow the number entering the guard to be separated out from the total number entering the guard and reserve in 1995.

Efforts to Enhance the Capability of the Reserve Component

The Army National Guard Combat Readiness Reform Act of 1992 provided several initiatives for enhancing the capability of the Army National Guard to deploy. Responding to the act, the Secretary of the Army established an objective of increasing the proportion of qualified prior active duty officers in the Army National Guard to 65 percent. However, as shown in table 1, the proportion of officers in the Army guard/reserve with 2 or more years of active duty service is only about 50 percent. The 65-percent goal has been suspended because under current manpower ceilings, increasing the percentage of experienced officers would require forced early retirement of guard officers with limited active duty experience.

Table 1: Army Reserve Component Officers With 2 or More Years of Active Duty

Fiscal Year	Component	Number	Percent
1996	Army National Guard	20,247	49.3
	Army Reserve	17,245	49.4
1995	Army National Guard	21,509	49.8
	Army Reserve	21,623	53.8

Another provision of the act, section 1112, allowed the Secretary to provide a program under which academy graduates and distinguished ROTC graduates could complete their military service obligation in the selected reserve. ROTC graduates with 2 years of service are allowed to serve the remainder of their obligation in the Army National Guard. This program has since been consolidated into the Voluntary Early Release/Retirement Program (VERRP)⁴ under category G.

The number of academy and Rotc graduates leaving active duty before completing their initial active duty service obligation under VERRP are shown in tables 2 and 3. Those leaving active duty under category G before completing their military service obligation were required to serve out their remaining service obligation in the selected reserve. Those officers shown in the inactive reserve column qualified for VERRP under a category other than category G (e.g., having less than 1 year of initial active duty service obligation remaining) and were not required to serve in the selected reserves.

⁴VERRP, which began in 1993, was designed to reduce the size of the officer corps by allowing officers on active duty to volunteer for release or retirement under specific conditions. Category G of the program includes all lieutenants in competitive branches with 24 to 36 months of active service. These officers qualify for early release if they obtain a National Guard or Army Reserve assignment and agree to serve the remainder of their military service obligation in the selected reserve.

Table 2: Academy Graduates Released by the Army Under VERRP, 1994-96

Fiscal year	Total released	Released to selected reserves		Hardship releases
1994	90	90	N/A	N/A
1995	446	223	186	37
1996	223	169	47	7
Total	759	482	233	44

Note: N/A—Not available in the current Army database.

Source: Army Posture Statements, Fiscal Year 1997 and Fiscal Year 1998 and Army officials.

Table 3: ROTC Graduates Released by the Army Under VERRP, 1994-96

Fiscal year	Total released	Released to selected reserve	Released to inactive reserve	Hardship releases
1994	. 27	. 27	N/A	N/A
1995	63	36	17	9
1996	47	45	0	2
Total	137	108	17	11

Note: N/A—Not available in the current Army database.

Source: Army Posture Statements, Fiscal Year 1997 and Fiscal Year 1998 and Army officials.

These numbers indicate that there is a potential for the drilling guard/reserve to get junior officers through programs such as VERRP. Also, such officers would enter the guard/reserve already possessing military skill training and active duty experience.

Conclusions

The proposal to send up to 5 percent of service academy graduates directly to the drilling guard/reserve would likely encounter significant administrative and practical difficulties and be perceived as expensive. Reserve component capability would not be appreciably enhanced because the newly commissioned officers would not enter the guard/reserve with specific military skills or experience. Also, the small number of potential officer accessions proposed (about 50 per service per year) would not go far in relieving the junior officer needs of the National Guard. However, the program to attract academy- and ROTC-educated officers with 2 to 3 years active duty experience under the Army's VERRP into the selected reserve appears to be relatively successful and offers the

potential to access a number larger than 50 junior officers, who would be trained and experienced.

Agency Comments and Our Evaluation

DOD reviewed a draft of this report and concurred with our conclusions. DOD's comments are reprinted in appendix III.

Scope and Methodology

To evaluate the feasibility of sending service academy graduates directly to the drilling guard/reserve, we interviewed officials at the Office of the Secretary of Defense, the service headquarters, the service academies, reserve headquarters, and the National Guard Bureau about the potential benefits and difficulties in accessing academy graduates directly into the drilling guard/reserve.

The Office of the Secretary of Defense provided the cost data for the service academies and ROTC program. The information on the number of officers and types of commissions for the services and the drilling guard/reserve was provided by the individual services from their personnel databases. The VERRP results were provided by the Office of the Chief of Staff, U.S. Army, Congressional Activities Division. We did not independently verify the data provided.

We conducted our work from November 1996 to February 1997 in accordance with generally accepted government auditing standards.

We are sending copies of this report to other interested congressional committees; the Secretaries of Defense, the Army, the Navy, and the Air Force; and the Superintendents of the Military, Naval, and Air Force academies. Copies will also be made available to others upon request.

If you or your staff have any questions concerning this report, please contact me at (202) 512-5140. The major contributors to this report were William E. Beusse, Lawrence E. Dixon, and Jeanett H. Reid.

Mark E. Gebicke

Director, Military Operations and

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Capabilities Issues

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Figure 2: Active Duty Officers by Source of Commission

Abbreviations

AGR	Active Guard/Reserve
DOD	Department of Defense
IMA	Individual Mobilization Augmentees
OCS	Officer Candidate Schools
OCS/OTS	Officer Candidate Schools/Officer Training Schools
ROTC	Reserve Officers Training Corps
VEDDD	Voluntary Early Release/Retirement Program

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Reserve Components

The reserves consist of three major categories: the Ready Reserve, the Standby Reserve, and the Retired Reserve. The Ready Reserve comprises three groups—the Selected Reserve, the Individual Ready Reserve, and the Inactive National Guard (see table I.1). The military members of the Ready Reserve are organized in units, or as individuals, both of which are liable for recall to active duty to augment the active forces in time of war or national emergency. The Selected Reserve includes the drilling National Guard and reservists assigned to units, full-time support personnel, and individual mobilization augmentees.

Table I.1: Composition of the Ready Reserve

Ready Reserve								
	Selected Reserve							
Units and Active	e Guard/Reserve		***************************************					
Drilling Guard/Reserve Units	Full-time Active Guard/Reserve	Individual Mobilization Augmentees	Individual Ready Reserve and Inactive National Guard					

Under the total force policy, reserve component forces are considered an integral part of the U.S. Armed Forces and essential to implementation of the U.S. defense strategy. Reductions in the size of the active force and increased U.S. participation in peace operations since the end of the Cold War have increased reliance on the reserve forces, as illustrated by the inclusion of reserve component units in war-fighting contingency plans and peacetime operations.

Training of the Guard/Reserve

As part of their service obligation, most guard/reserve members are required to participate in prescribed training activities. Members of the Selected Reserve are required to participate in training to maintain their readiness and proficiency. Each year they must participate in at least 48 4-hour inactive duty training periods—the equivalent of 24 8-hour days, or 12 weekends a year. They must also participate in annual training periods of about 2 weeks, which is generally done during one consecutive period. However, some reservists, particularly those in the Air Force and the Navy components, often fulfill the annual training requirement during several shorter periods.

Members of the Individual Ready Reserve and Inactive National Guard are not required to meet the same training requirements as members of the Appendix I Reserve Components

Selected Reserve. However, they are required to serve 1 day of duty each year to accomplish screening requirements and may participate voluntarily in inactive duty training. Members of the Retired Reserve are not subject to mandatory training. However, they are encouraged to participate voluntarily to maintain their readiness.

Active Duty and Drilling Guard/Reserve Military Officers

Table II.1: Source of Commission of Navy and Naval Reserve Officers

6			:	
Navy				
Active	duty	Reserve		
Number	Percent	Number	Percent	
10,566	17.98	1,916	10.25	
11,278	19.19	2,723	14.57	
12,570	21.39	4,644	24.84	
24,357	41.44	9,410	50.34	
58,771	100.00	18,693	100.00	
	Navy Active Number 10,566 11,278 12,570 24,357	Navy Active duty Number Percent 10,566 17.98 11,278 19.19 12,570 21.39 24,357 41.44	Navy Active duty Rese Number Percent Number 10,566 17.98 1,916 11,278 19.19 2,723 12,570 21.39 4,644 24,357 41.44 9,410	

Table II.2: Source of Commission of Army Active Duty, Reserve, and National Guard Officers

	, .	·					
Army							
Source of commission	Active	duty	Res	erve	Nationa	l Guard	
	Number	Percent	Number	Percent	Number	Percent	
Academy	11,168	16.27	1,282	3.95	501	1.41	
Reserve Officers Training Corps	39,829	58.01	12,854	39.59	10,925	30.71	
Officer Candidate Schools	6,032	8.79	2,928	9.02	2,107	5.92	
Other	11,624	16.93	15,403	47.44	22,038	61.96	
Total	68,653	100.00	32,467	100.00	35,571	100.00	

Table II.3: Source of Commission of Air Force Active Duty, Reserve, and National Guard Officers

		Air Fe	orce			
Source of commission	Active duty		Reserve		National Guard	
	Number	Percent	Number	Percent	Number	Percent
Academy	14,743	19.30	626	7.09	600	5.22
Reserve Officers Training Corps	31,809	41.64	2,244	25.43	2,041	17.76
Officer Training Schools	16,016	20.97	2,010	22.78	5,497	47.82
Other	13,820	18.09	3,945	44.70	3,357	29.20
Total	76,388	100.00	8,825	100.00	11,495	100.00

Appendix II Active Duty and Drilling Guard/Reserve Military Officers

Table II.4: Source of Commission of Marine Corps Active Duty and Reserve Officers

	Marine Corps	;			
	Active	duty	Reserve		
Source of commission	Number	Percent	Number	Percent	
Academy	1,691	10.55	89	3.50	
Reserve Officers Training Corps	2,848	17.77	201	7.90	
Officer Candidate Schools	11,488	71.68	2,253	88.60	
Other	0	0.00	0	0.00	
Total	16,027	100.00	2,543	100.00	

Table II.5: Active Duty Guard/Reserves Serving Under 10 U.S.C. Section 12301(d)

		Army		Air Force		Marine	
Source of commission	Navy	Reserve	ARNG	Reserve	ANG	Corps	Tota
Academy	149	43	54	15	102	61	424
Reserve Officers Training Corps	329	1,328	1,016	61	349	92	3,175
Officer Candidate Schools/Officer Training Schools	973	391	431	81	752	212	2,840
Other	436	924	2,688	43	170	0	4,261
Total	1,887	2,686	4,189	200	1,373	365	10,700

Comments From the Department of Defense



OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE 4000 DEFENSE PENTAGON WASHINGTON, D.C. 20301-4000



FEB 2 8 1997

Mr. Mark E. Gebicke
Director, Military Operations and Capabilities Issues
National Security and International Affairs Division
U.S. General Accounting Office
Washington, DC 20548

Dear Mr. Gebicke:

This is the Department of Defense (DoD) response to the General Accounting Office (GAO) draft report, "ACADEMY GRADUATES ENTERING RESERVES: Administrative and Practical Problems Limit Feasibility," dated February 18, 1997 (GAO Code 703163 / OSD Case 1298). The DoD concurs with the report, and supports its conclusions.

The proposal to send five percent of Service academy graduates immediately to the Selected Reserve does not appear to be an efficient means to improve capabilities of the Reserve Component. Moreover, the GAO correctly notes administrative and other obstacles that the Military Services would encounter in pursuing such an objective.

The DoD appreciates the opportunity to comment on the GAO draft report.

Sincerely,

Francis M. Rush, Jr.
Principal Deputy Assistant Secretary

